

Message Text

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ACTION EB-08

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E.O. 11652: N/A
TAGS: EINV, CASC, PO
SUBJ: WEEKLY SUMMARY OF AMERICAN INVESTMENT PROBLEMS

REF: (A) LISBON 1448, (B) LISBON 1321, (C) LISBON 1095,
(D) LISBON 561, (E) LISBON 1554, (F) LISBON 1664,
(G) LISBON 1635

NOTE: CASC REFER TO PARA SIX

1. FABRICA DE TABACO MICAELENSE, LDA. (BENSAUDE): ON MARCH 1
MRS. BENSAUDE SALLES GAVE COMMATT COPY OF PUBLIC DEED WHICH SHE
CLAIMS PROVES HER OWNERSHIP OF 1/4 OF ALL COMPANY SHARES. SHE
CLAIMS SHARES PURCHASED IN 1971 UNDER AGREEMENT WITH FATHER.
TO DATE SHE HAS NOT ATTEMPTED TO GET COMPENSATION. COMMATT
ADVISED THAT HER LAWYER MUST BEGIN COMPENSATION PROCEEDINGS
AND KEEP EMBASSY INFORMED OF PROGRESS IN CASE.

2. GENERAL INSTRUMENTS (GIL): A) ON FEB 28 EMBASSY LEARNED
FROM GIL THAT, CONTRARY TO STRICT DEADLINE OF FEB 28 MENTIONED
IN REF A, GIL CLAIMS IT NOW HAS UNTIL LATE MARCH TO NEGOTIATE
EIGHT POINT PROGRAM. GIL SAYS THAT ADDED TIME CRUCIAL FOR
NEGOTIATIONS. THESE NEGOTIATIONS ARE ALL IMPORTANT BECAUSE
CLOSURE OF CERTAIN LINES OF PRODUCTION IN PORTUGAL

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COULD CAUSE SHUTDOWN OF SIMILAR PRODUCTION IN OTHER
COUNTRIES. IF NEGOTIATIONS CONCLUDED BY LATE MARCH,
RESULTS CAN BE INCLUDED IN COMPANY FY 76 REPORT ENDING
FEB 28, THEREBY AVERTING PROBLEMS MENTIONED REF A
WITH SECURITIES EXCHANGE COMMISSION. B) MINISTER SOUSA
GOMES HAS AUTHORIZED SECRETARY OF STATE FOR LIGHT
INDUSTRY, TRIGO DE MORAIS, TO TAKE COMPLETE RESPONSIB-

BILITY FOR CASE INCLUDING INITIALING OF AGREEMENT.

C) GOP RAISED THREE QUESTIONS ABOUT DRAFT 8-POINT AGREEMENT:

(1) VALUE OF GIL PROPERTY AND BUILDINGS GOP WOULD PURCHASE;

(2) DISMISSAL POLICY; AND (3) GOP REQUEST THAT GIL COMMIT PART OF PURCHASE PRICE TO FUTURE INVESTMENTS.

D) GIL AND GOP SCHEDULED TO MEET ON MARCH 3.

3. LATRIQUE: LABOR MINISTRY CONSULTANT RECEIVED LETTER DATED FEB 1 FROM VALE. LETTER STATES VALE'S INTEREST IN CONSET PROPOSAL AND NEED FOR MORE DETAILS. HARPSOE NOW DRAFTING LETTER TO VALE SUGGESTING QUICK PRODUCTION START-UP IN ORDER TO WIN GOOD WILL OF WORKERS. ACCORDING TO HARPSOE, BANKS WOULD CO-SIGN LETTER. HARPSOE STILL PRESSING FOR QUICK ACTION ALTHOUGH HE STATES WORKER TENSION IN PLANT CALMED SOMEWHAT IN PAST WEEK.

4. MUNDET: ON FEB 28 MRS. MUNDET APPEARED AT EMBASSY WITH NEW YORK LAWYER TO DISCUSS HER CASE. SHE REPORTS HER ATTORNEYS HAVE TAKEN NO ACTION YET AND MAINTAINS GOP DID NOT CONTACT HER ABOUT DISINTERVENTION OF FIRM. NEW YORK LAWYER EXPECTED CONTACT DEPT. ABOUT CASE.

5. WITH REGARD FUTURE GOP ACTION VIS-A-VIS WORKER-CONTROLLED FIRMS, SEE REF E, SECTION B, PARA 6. IN ADDITION, GOP HAS EXTENDED THROUGH MARCH 31 CREDENTIALS ENABLING WORKERS COMMISSIONS OF FIRMS UNDER SELF-MANAGEMENT TO ACT ON FIRMS' BEHALF. EXTENSION MEASURE PROVIDES FOR CANCELLATION OF CREDENTIALS IN EVENT LIMITED OFFICIAL USE

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DEFINITIVE BILL IS PROMULGATED OR AT DISCRETION OF MINISTER OF LABOR. THESE REGULATIONS WOULD AFFECT COMPANIES SUCH AS MUELLER MONTAGEM, CONLUS, LUNDBERG, CUETARA BOLACHAS DE PORTUGAL, LATRIQUE.

6. ON FEB 25, COUNCIL OF MINISTERS RESOLVED THAT FOREIGN PERSONS OR FIRMS WHOSE ASSETS HAVE BEEN NATIONALIZED OR EXPROPRIATED AFTER APRIL 25, 1974, WILL BE INDEMNIFIED. ARBITRATION COMMISSIONS OF GOVERNMENT AND NON-GOVERNMENT REPRESENTATIVES WILL BE ESTABLISHED BY MARCH 31. EVALUATION OF ASSETS WILL BE COMPLETED BY APRIL 30 AND ARBITRATION DECISIONS MUST BE MADE WITHIN THE FOLLOWING 30 DAYS. FOR OTHER FOREIGN PERSONS OR FIRMS WHO HAVE BEEN ILLEGALLY DEPRIVED OF THEIR ASSETS, FULL RESTITUTION WILL BE MADE BY JUDICIAL OR ADMINISTRATIVE PROCESSES, DEPENDING ON WHETHER THERE IS LEGITIMATE CONFLICT OF INTEREST BETWEEN OWNERS AND WORKERS. WITHIN 60 DAYS, A COMMISSION WILL BE NAMED TO DETERMINE THE VALUE OF ASSETS. THE COMMISSION WILL BE MADE UP OF REPRESENTATIVES FROM MINISTER OF FINANCE, MINISTER WITH

JURISDICTION AND A REPRESENTATIVE OF INTERESTED PARTIES.
MINISTER OF FINANCE WILL APPOINT A GENERAL COORDINATOR
FOR THESE DISPUTES WITHIN 15 DAYS.
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